

58th

Annual Report
1969



THE
STERLING TRUSTS
CORPORATION

DIRECTORS

Chairman of the Board

RAY T. BIRKS, Q.C. - - - - - Toronto, Ont.

President

NIELS F. PETERSEN - - - - - Toronto, Ont.

Vice-Presidents

ROBERT BIGELOW, Q.C. - - - - - Toronto, Ont.

H. T. BURGESS - - - - - Toronto, Ont.

E. R. MEREDITH - - - - - Orillia, Ont.

S. B. ADAMS, C.A. - - - - - Toronto, Ont.

N. H. BELL - - - - - Toronto, Ont.

WALTER A. DILWORTH - - - - - Toronto, Ont.

R. I. HENDY, Q.C. - - - - - Toronto, Ont.

H. D. LANGDON, Q.C. - - - - - Toronto, Ont.

CHAS. J. SEAGRAM, Q.C. - - - - - Barrie, Ont.

ARTHUR W. WHITE - - - - - Toronto, Ont.

J. ALEX WILSON, B.A.Sc., P.Eng. - - - - - Orillia, Ont.

T. GORDON TAYLOR - - - - - General Manager

Auditors

MESSRS. PEAT, MARWICK, MITCHELL & CO.

INCORPORATED IN NINETEEN HUNDRED AND ELEVEN
MEMBER OF CANADA DEPOSIT INSURANCE CORPORATION

64-7495

EXECUTIVE COMMITTEE

N. F. PETERSEN

S. B. ADAMS, C.A.

ROBERT BIGELOW, Q.C.

H. T. BURGESS

R. I. HENDY, Q.C.

H. D. LANGDON, Q.C.

E. R. MEREDITH

OFFICERS

R. T. BIRKS, Q.C.
CHAIRMAN OF THE BOARD

N. F. PETERSEN
PRESIDENT

H. T. BURGESS
VICE-PRESIDENT

ELTON R. MEREDITH
VICE-PRESIDENT

ROBERT BIGELOW, Q.C.
VICE-PRESIDENT

T. GORDON TAYLOR
GENERAL MANAGER

DENNIS W. JONES, F.C.I.S.
ASSISTANT GENERAL MANAGER

F. C. BEVERIDGE
SECRETARY AND TRANSFER OFFICER

K. J. BREAKEY
ASST. MANAGER, STOCK TRANSFER DEPARTMENT

W. G. MASHINTER
ACCOUNTANT

G. RAAG
MANAGER, GUARANTEED TRUST DEPARTMENT

ARTHUR IVINEY
MANAGER, MORTGAGE DEPARTMENT

T. J. F. ROSS
SECURITIES OFFICER

W. E. DEWSNAP
TRUST OFFICER

SPECIAL REPRESENTATIVES

R. E. WHITE

C. LESLIE CHITTICK

H. E. HALL

To Our Shareholders:

The Fifty-Eighth Annual Report of the Corporation for the year 1969 is submitted for your approval.

As anticipated, the year 1969 was subject to escalating interest rates and the Government, in an attempt to cool out inflation, instituted a tight money policy. In addition price and wage increases accelerated, thus inducing serious strains on the Canadian economy. Nevertheless your Corporation experienced a satisfactory year as reflected in the financial statement.

Guaranteed Funds increased by \$4,789,109 to \$47,481,929.

In view of the uninviting climate in the Bond market, funds realized from maturing bonds were invested, with additional funds generated from Guaranteed Trust Certificates, in first mortgages. This portfolio shows an increase from \$33,288,000 to \$39,296,464. The net profit increased by \$26,689 to \$331,051, which represents earnings of 59¢ per share.

The results achieved could not have been attained without the continued interest and dedication of the Board of Directors and Staff and it is my privilege to extend to them, on your behalf, my sincere thanks.

TORONTO, January 23, 1970

N. F. PETERSEN,
President.

THE STERLING TR

BALANCE

December

ASSETS

	1969	1968
Cash on hand and in banks - - - - -	\$ 1,067,501	\$ 1,023,737
Securities, including accrued interest:		
Canadian and Provincial Government bonds, at amortized cost - - - - -	2,907,723	3,416,607
Other Securities, at cost, less reserve:		
Canadian Municipal bonds - - - - -	3,399,327	3,858,907
Other bonds and debentures - - - - -	1,203,205	1,226,204
Stocks - - - - -	1,786,238	1,624,311
Total other securities (quoted market value 1969 -\$6,031,978 and 1968-\$6,659,015) - - - - -	6,388,770	6,709,422
Total Securities - - - - -	9,296,493	10,126,029
Loans on bonds and stocks - - - - -	751,592	1,046,227
Advances to estates - - - - -	44,074	46,485
First mortgages, including interest due and accrued - -	39,296,464	33,288,596
Office premises and equipment, less amounts written off - - - - -	176,855	184,322
Other assets - - - - -	17,493	13,171
	<u>\$50,650,472</u>	<u>\$45,728,567</u>
Total assets under administration:		
Cash, securities and other assets held for estates, trusts and agencies - - - - -	21,559,708	20,246,055
Company's capital and guaranteed account assets -	\$50,650,472	45,728,567
	<u>\$72,210,180</u>	<u>\$65,974,622</u>

TS CORPORATION

SHEET

1, 1969

LIABILITIES AND SHAREHOLDERS' EQUITY

	<u>1969</u>	<u>1968</u>
Guaranteed Trust Account:		
Savings deposits - - - - -	\$ 8,564,368	\$ 7,970,782
Guaranteed trust certificates, including accrued interest - - - - -	38,917,561	34,722,038
Total Guaranteed Account - - - - -	<u>47,481,929</u>	<u>42,692,820</u>
Accounts payable - - - - -	24,753	22,246
Dividend payable, January 2, 1970 - - - - -	50,771	62,053
Income taxes payable - - - - -	53,308	39,705
Mortgage reserve - - - - -	545,000	545,000
Shareholders' Equity:		
Capital stock:		
Authorized 1,000,000 shares of \$2.00 each		
Issued and fully paid 564,120 shares - - - -	1,128,240	1,128,240
Reserve fund - - - - -	1,250,000	1,125,000
Retained earnings - - - - -	116,471	113,503
Total Shareholders' Equity - - - - -	<u>2,494,711</u>	<u>2,366,743</u>
	<u>\$50,650,472</u>	<u>\$45,728,567</u>

We certify that to the best of our knowledge and belief the foregoing balance sheet is correct and shows truly and clearly the financial condition of the Corporation's affairs.

RAY T. BIRKS, *Chairman of the Board*
 NIELS F. PETERSEN, *President*
 T. GORDON TAYLOR, *General Manager*

THE STERLING TRUSTS CORPORATION

STATEMENT OF EARNINGS

For the year ended December 31, 1969

	1969	1968
Revenue:		
Income from first mortgages - - - - -	\$ 2,963,360	\$ 2,369,811
Income from bonds and stocks - - - - -	537,656	542,094
Fees and commissions - - - - -	264,839	266,333
Other operating revenue - - - - -	138,185	119,632
Total revenue - - - - -	<u>3,904,040</u>	<u>3,297,870</u>
Expenses:		
Interest on savings deposits and guaranteed trust certificates - - - - -	2,717,824	2,214,522
Salaries, staff benefits and commissions - - - - -	421,723	386,813
Other operating expenses - - - - -	244,443	218,080
Office modernization and alterations - - - - -	—	4,559
Depreciation - - - - -	7,467	8,965
Total expenses - - - - -	<u>3,391,457</u>	<u>2,832,939</u>
Net earnings from operations - - - - -	512,583	464,931
Net gain on realization of investments - - - - -	42,468	49,431
Net earnings before taxes on income - - - - -	555,051	514,362
Taxes on income - - - - -	224,000	210,000
Net earnings for year, transferred to retained earnings - - - - -	<u>\$ 331,051</u>	<u>\$ 304,362</u>

STATEMENT OF RETAINED EARNINGS

For the year ended December 31, 1969

Balance at beginning of year - - - - -	\$ 113,503	\$ 73,583
Add:		
Transfer from net earnings for the year - - - - -	331,051	304,362
Reduction in income tax by reason of transfer to mortgage reserve - - - - -	—	78,000
	<u>444,554</u>	<u>455,945</u>
Deduct:		
Transfer to reserve fund - - - - -	125,000	—
Transfer to mortgage reserve - - - - -	—	145,000
Dividends - - - - -	203,083	197,442
	<u>328,083</u>	<u>342,442</u>
Balance at end of year - - - - -	<u>\$ 116,471</u>	<u>\$ 113,503</u>

THE STERLING TRUSTS CORPORATION

STATEMENT OF RESERVE FUND

For the year ended December 31, 1969

	<u>1969</u>	<u>1968</u>
Balance at beginning of year - - - - -	\$ 1,125,000	\$ 1,125,000
Add transfer from retained earnings - - - - -	125,000	—
Balance at end of year - - - - -	<u>\$ 1,250,000</u>	<u>\$ 1,125,000</u>

STATEMENT OF MORTGAGE RESERVE

For the year ended December 31, 1969

Balance at beginning of year - - - - -	\$ 545,000	\$ 400,000
Add transfer from retained earnings - - - - -	—	145,000
Balance at end of year - - - - -	<u>\$ 545,000</u>	<u>\$ 545,000</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of The Sterling Trusts Corporation as at December 31, 1969, and the statements of earnings, retained earnings, reserve fund and mortgage reserve for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The assets held for Guaranteed Trust Account and for Estates, Trusts and Agencies are kept separate from the corporation's own assets and are so recorded on the books of the corporation as to show the accounts to which they belong.

In our opinion, the accompanying balance sheet and statements of earnings, retained earnings, reserve fund and mortgage reserve, are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the corporation as at December 31, 1969 and the results of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the corporation.

TORONTO, ONTARIO, January 16, 1970

PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants

OFFICES

TORONTO, ONTARIO 372 BAY STREET

D. W. JONES, F.C.I.S., *Manager*

BARRIE, ONTARIO 35 DUNLOP STREET

J. A. SHUTE, *Manager*

ORILLIA, ONTARIO 73 MISSISSAGA ST. E.

B. M. HEWITT, *Manager*

SERVICES

Estates Department

Guaranteed Trust Account

Savings Department

Safe Deposit Boxes

Real Estate Department

Property Management

Corporate Trust and Transfer Department

Financial Agency

Mortgage Department

Retirement Savings Plan
